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10 Attorneys for Defendants
NATIONAL INVESTMENT CONSULTANTS, INC.,
11 And WEI M. TSE a.k.a. RAYMOND TSE, and for
12 Relief Defendant THERESA C. WONG,

13 **UNITED STATES DISTRICT COURT**
14 **NORTHERN DIVISION OF CALIFORNIA**
SAN FRANCISCO DIVISION

15 U.S. COMMODITY FUTURES TRADING
16 COMMISSION and THE COMMISSIONER OF
CORPORATIONS OF THE STATE OF
17 CALIFORNIA,

18 Plaintiffs,

19 vs.

20 NATIONAL INVESTMENT CONSULTANTS,
INC, a California corporation, PACIFIC BEST
21 GROUP LTD, a.k.a. PACIFIC BEST
COMPANY LTD, a British Virgin Islands
22 Corporation, YI KERRY XU, an individual,
RUN PING ZHOU a.k.a. FLORA ZHOU, an
individual, and WEI M. TSE a.k.a. RAYMOND
23 TSE, an individual,

24 Defendants,

CASE NO.: 052641 JSW
Assigned to Hon. Jeffrey S. White

**DECLARATION OF EDWARD
GARTENBERG IN SUPPORT OF
MOTION ALLOWING WITHDRAW OF
COUNSEL OF RECORD FOR PACIFIC
BEST**

1 And
 2 THERESA C. WONG, an individual,
 3 Relief Defendant.
 4

Date: May 12, 2006

Time: 9:00 a.m.

Dept.: 2

Complaint filed: June 28, 2005

Trial Date: October 30, 2006

5
 6 I, EDWARD GARTENBERG, hereby declare:

7 1. I am a member of law firm of Thelen Reid & Priest LLP ("Thelen Reid"), counsel
 8 of record in the above matter for defendants NATIONAL INVESTMENT CONSULTANTS, INC.
 9 ("NICI"), PACIFIC BEST GROUP LTD, a.k.a. PACIFIC BEST COMPANY LTD, a British
 10 Virgin Islands Corporation ("Pacific Best"), WEI M. TSE a.k.a. RAYMOND TSE ("Tse") and
 11 Relief Defendant THERESA WONG ("Wong"). I am the partner with primary responsibility for
 12 litigation of this matter on behalf of the foregoing defendants. I have personal knowledge of the
 13 facts set forth herein and, if called as a witness in this matter, I could and would competently
 14 testify thereto under oath. I submit this Declaration in support of Thelen Reid's Motion for Order
 15 Allowing Withdrawal As Counsel of Record for Pacific Best.

16 2. My law firm was employed to represent Pacific Best, NICI, Tse and Wong in this
 17 action by a written agreement.

18 3. For the reasons set forth below, Thelen Reid respectfully requests that the Court
 19 grant Thelen Reid's leave to withdraw as counsel of record of Pacific Best in the above-captioned
 20 action.

21 Conflict

22 4. Factors have arisen that I believe permit Thelen Reid to seek the Court's
 23 authorization to be relieved as counsel for Pacific Best. Among other reasons, I believe that
 24 withdrawal is appropriate because a conflict has arisen which impedes Thelen Reid's ability to
 25 continue to act as counsel for Pacific Best and one or more of the other clients Thelen Reid
 26 represents in this action. While I believe an actual conflict exists between Pacific Best and
 27 Mr. Tse, at a minimum, there is a potential conflict between these parties.
 28

Unreasonable Difficulty for Counsel to Proceed

5. I also believe that withdrawal is permissible under CRPC 3-700(C)(1)(d) which permits withdrawal where a client has made it unreasonably difficult for counsel to proceed because Pacific best has failed to cooperate with counsel.

No Prejudice Will arise By Granting This Motion

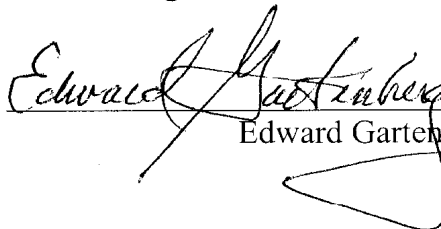
6. Well in advance of this motion, Pacific Best has been provided notice that absent a substitution of counsel, counsel would move to terminate its representation. I have advised Pacific Best to locate and substitute new counsel to replace Thelen Reid. I have also advised Pacific Best that corporations may not appear *pro se* in federal court. Pacific Best has been made aware that, unless it locates new counsel, it could be subject to default or other liabilities.

7. While I have discussed substitution with potential new counsel, to date, I have not been advised that Pacific Best has obtained new counsel.

8. There is no current discovery pending directed to Pacific Best, nor are there any motions pending. The trial date is October 31, 2006, which is more than seven months away. No prejudice should arise by reason of the granting of this motion.

I declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct.

Executed this 28th day of March, 2006, at Los Angeles, California.


Edward Gartenberg